



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, March 4, 2014

6:50 p.m.

Coon Rapids City Center

Council Chambers

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### **Call to Order**

### **Roll Call**

### **Approval of Minutes of Previous Meeting**

February 18, 2014, Regular Meeting

### **New Business**

1. Tuned Up Custom Rods, 1425 Coon Rapids Boulevard:
  - a. Approve Revised Lease
  - b. Authorize Chair and Secretary to Execute Revised Lease

### **Other Business**

### **Adjourn**



**HRA Regular**

**Meeting Date:** 03/04/2014

**SUBJECT:**

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**Attachments**

**2-18-14 HRA Meeting**

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## **UNAPPROVED**

### **HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF FEBRUARY 18, 2014**

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 7:02 p.m. on February 18, 2014, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Ron Manning, Jerry Koch, Bruce Sanders, and Steve Wells

Members Absent: None

### **CALL TO ORDER**

Chair Howe called the meeting to order at 7:02 p.m.

### **ROLL CALL**

All present.

### **APPROVAL OF MINUTES OF JANUARY 7, 2014, REGULAR MEETING**

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER MANNING, FOR APPROVAL OF THE MINUTES OF THE JANUARY 7, 2014, REGULAR MEETING. THE MOTION PASSED UNANIMOUSLY.

1. CONS. PURCHASE AGREEMENT FOR RESIDENTIAL PROPERTY, 12019 ROUND LAKE BOULEVARD (SCATTERED SITE ACQUISITION):
  - A. APPROVE PURCHASE AGREEMENT
  - B. AUTHORIZE CHAIR AND SECRETARY TO EXECUTE PURCHASE AGREEMENT
  - C. AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY

The staff report was shared.

Commissioner Koch verified that the Historical Commission will review the property prior to any action or demolition.

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Chair Howe asked if the review and demolition will occur yet this year. Community Development Nevinski said action will be able to occur in 2014

Chair Howe asked how the Historical Commission's recommendation will impact potential demolition. Community Development Specialist Brown said while the property is unique and interesting it is in poor condition and should likely be demolished. He said staff will ensure the property is documented through either photographs or video prior to any action occurring.

Chair Howe asked how the reconstruction of Round Lake Boulevard will impact this project. Community Development Specialist Brown said any road reconstruction work will be done within the existing right-of-way. He noted the street reconstruction will not impact the buildability of the lot.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER MANNING, TO APPROVE THE PURCHASE AGREEMENT FOR THE PROPERTY AT 12019 ROUND LAKE BOULEVARD WITH A SALE PRICE OF \$82,000; AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE THE PURCHASE AGREEMENT; AND AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY TO CLOSE ON THE PROPERTY.

THE MOTION PASSED UNANIMOUSLY.

#### OTHER BUSINESS

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There was no other business to come before the HRA.

#### ADJOURN

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MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER WELLS, TO ADJOURN THE FEBRUARY 18, 2014, MEETING AT 7:05 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:  
Cathy Sorensen, City Clerk



**HRA Regular**

**1.**

**Meeting Date:** 03/04/2014

**Subject:** Consider Revised Lease for Tuned Up Custom Rods, 1425 Coon Rapids Boulevard

**From:** Marc Nevinski, Community  
Development Director

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**INTRODUCTION**

Tuned Up Customer Rods is currently leasing space from the HRA at 1425 Coon Rapids Boulevard. The company is growing and wishes to both extend their lease for an additional term and lease additional space within the building.

**DISCUSSION**

Tuned Up Custom Rods makes high end ice and open-water fishing rods. The company is growing and wishes to extend its lease and lease additional space within the building. Last year, the HRA agreed to a below market rate in the first term to jump start the company. The lease stated that the rate would reset to market rate in the next and any subsequent terms. The attached lease reflects a market rate for existing space plus additional leased space the company has requested.

**RECOMMENDATION**

Staff recommends the HRA approve the attached lease with Tuned Up Custom Rods, LLC and authorize the Chair and Secretary to execute the lease.

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**Attachments**

**Revised Lease**

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**LEASE**  
**1425 COON RAPIDS BOULEVARD**

THIS LEASE is made this day of **March 4, 2014**, between The Housing and Redevelopment Authority in and for the City of Coon Rapids, a municipal corporation (the "Landlord") and John Burback and Adam Audette, Tuned Up Custom Rods, LLC. (the "Tenant").

In consideration of the payment of the rent and the performance of the covenants and agreements by the Landlord set forth below, the Landlord does hereby lease to the Tenant the following described property situated in the County of Anoka, in the State of Minnesota, the street address of which is 1425 Coon Rapids Boulevard, Coon Rapids, Minnesota 55433, Suite 103 (Approximately 850 square feet) and Suite 201 (Approximately 100 square feet) and is hereinafter called the "Leased Premises". The legal description of the property is Lot 1, Block 1, Coon Creek Park.

**LEASE TERM**

The Lease Term and rent will commence on April 1, 2014 ("the Lease Term Commencement Date"). The fixed annual minimum rent during the term of this lease shall be payable by Tenant in monthly installments, on or before the first day of each month, in advance, at the office of Landlord or at such other place as is designated by Landlord, without prior demand therefore, and without any deduction or setoff whatsoever. Rent shall be mailed or delivered to:

Coon Rapids City Center  
**Attn: Finance Dept – L. Tournquist**  
11155 Robinson Drive  
Coon Rapids, MN 55433

The fixed monthly minimum rent shall be as follows:

Suite 103	April 1, 2014 – March 31, 2015	\$850
Suite 202	April 1, 2014 – March 31, 2015	<u>\$100</u>
Total Rent		\$950

After March 31, 2015, tenant may retain a month-to-month tenancy. Rent shall increase annually by three percent of the prior twelve month's rent on the anniversary of the Lease Term Commencement Date.

Tenant may terminate this lease at any time without penalty upon 60 day written notice to Landlord. During the month to month tenancy Landlord may terminate the lease with no less than 90 days notice to tenant.

**TENANT AGREEMENT**

The Tenant, in consideration of the leasing of the premises agrees as follows:

1. To pay the rent for the premises above-described. Rent includes heating, cooling, sewer and water, lights, taxes, and cleaning, which shall include

vacuuming once a week, emptying of wastebaskets twice a week, and spot cleaning of windows twice a week. Landlord shall furnish cleaning, maintenance, and snow removal as needed and complete janitorial services for the Common Areas of the Building.

2. To keep the improvement upon the premises, including sewer connections, plumbing, wiring and glass in good repair, all at Tenant's expense, and at the expiration of the Lease to surrender the premises in as good a condition as when the Tenant entered the premises, loss by fire, inevitable accident, and ordinary wear excepted.
3. To the extent that personal property taxes or taxes in lieu of or as a substitute for real estate taxes are imposed with respect to the Leased Premises or directly on Tenant during the term of this Lease, Tenant shall pay such taxes (and any installments of special assessments allocable to the Leased Premises) before delinquency and shall indemnify and hold harmless Landlord from such taxes (and special assessments). Without limiting the foregoing, in the event that the Leased Premises is deemed or classified as a separate tax parcel or separate sub-tax parcel by Anoka County, Tenant shall pay before delinquency all taxes and installments of special assessments for such tax parcel or sub-tax parcel during the term of this Lease. If Tenant pays property taxes or taxes in lieu under this paragraph, the Tenant's rent shall be reduced by the amount of taxes actually paid.
4. That the Tenant shall not paint, wallpaper, nor make alterations to the property without the Landlord's prior written consent. Such consent shall not be unreasonably delayed. All such work shall comply with all applicable governmental laws, ordinances, rules and regulations. The Landlord, as a condition to said consent, may require a surety performance and/or payment bond from the Tenant for said actions. Tenant agrees to indemnify and hold Landlord and its agents free and harmless from any liability, loss, cost, damage or expense (including attorneys' fees) by reason of any said alteration, repairs, additions or improvements.
5. Tenant shall not erect or install any interior window or door signs, advertising media or window or door lettering or placards or other signs without Landlord's prior written consent. Tenant shall not erect or install any exterior signs at any time without Landlord's prior written consent. It is agreed by Tenant that all of Tenant's signs shall conform when installed to the Center's Sign Criteria, which Sign Criteria Landlord reserves the right to modify. In addition, the Landlord will allow Tenant a marquee sign, purchased by Tenant to contain a removable nameplate that identifies the Tenant (to be co-located along with other Center Tenants) on the existing pylon sign.
6. To sublet no part of the premises, and not to assign the lease or any interest therein without the written consent of the Landlord.

7. To use the premises only as an insurance office and to use the premises for no purposes prohibited by the laws of the United States or the State of Minnesota, or of the ordinances of the City of Coon Rapids, and for no improper or questionable purposes whatsoever, and to neither permit nor suffer any disorderly conduct, noise or nuisance having a tendency to annoy or disturb any persons occupying adjacent premises. Specifically the tenant shall comply with all Federal, State and Local regulations.
8. To comply with all reasonable rules or regulations posted on the premises or determined mutually between tenants and Landlord.
9. To neither hold nor attempt to hold the Landlord liable for any injury or damage, either proximate or remote, occurring through or caused by the repairs, alterations, injury or accident to the premises, or adjacent premises, or other parts of the above premises not herein demised, or by reason of the negligence or default of the owners or occupants thereof or any other person, nor to hold the Landlord liable for any injury or damage occasioned by defective electric wiring, or the breakage or stoppage of plumbing or sewerage upon said premises or upon adjacent premises, whether breakage or stoppage results from freezing or otherwise; to neither permit nor suffer said premises, or the walls or floors thereof, to be endangered by overloading, nor said premises to be used for any purpose which would render the insurance thereon void or the insurance risk more hazardous, nor make any alterations in or changes in, upon, or about said premises without first obtaining the written consent of the Landlord therefore. Tenant agrees to indemnify, hold harmless and defend Landlord, its agents, employees, and officers from any liability or damages arising out of Tenant's operations or any act or omission of Tenant, its agents, employees, invitees, or guests in either the Leased Premises or the Center.
10. Tenant agrees to carry during the term hereof public liability insurance for the Premises, providing coverage in the minimum amount of Five Hundred Thousand Dollars (\$500,000) against liability for injury to or death of any one person and One Million (\$1,000,000) Dollars against liability arising out of any one accident or occurrence, and also One Hundred Thousand Dollars (\$100,000) against liability arising out of any property damage; said insurance shall include Landlord, its agents, beneficiaries, and employees as assured parties and shall provide that Landlord shall be given a minimum of thirty (30) days notice by the insurance company prior to cancellation, termination, or change of such insurance. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the terms thereof.
11. Tenant agrees to permit Landlord or its agents and/or representatives to enter into and upon any part of the Leased Premises during all suitable hours to inspect the same, clean, make repairs, alterations or additions thereto or show the Leased Premises to others, or for any other reasonable purposes as



Landlord may deem necessary or desirable. Landlord shall, except in an emergency, give Tenant reasonable notice prior to such entry. No such entry shall constitute an eviction or entitle Tenant to any abatement of rent, operating costs, or any sums due under said Lease.

12. Landlord agrees to keep the air-conditioning and heating systems operating at levels sufficient to satisfy the requirements of the Leased Premises.

IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN LANDLORD AND TENANT AS FOLLOWS:

13. No assent, express or implied, to any breach of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other breach. Any payment by Tenant, or acceptance by Landlord, of a lesser amount than due shall be treated only as a payment on account. Further, failure of the Landlord to timely bill for taxes, insurance or repairs, as required herein, shall not be deemed a waiver of the Tenant's liability to pay same.
14. If, after the expiration of this Lease, the Tenant shall remain in possession of the premises and continue to pay rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to the last month's rent paid under this lease, and subject to all the terms and conditions of this lease.
15. If the premises are left vacant and any part of the rent reserved hereunder is not paid, then the Landlord may, without being obligated to do so, and without terminating this Lease, retake possession of the said premises and rent the same for such rent, and upon such conditions as the Landlord may think best, making such change and repairs/as may be required, giving credit for the amount of rent so received less all expenses of such changes and repairs, and the Tenants shall be liable for the balance of the rent herein reserved until the expiration of the term of this Lease.
16. If any part of the rent provided to be paid herein is not paid when due, or if any default is made in any of the agreements by the Tenant contained herein, it shall be lawful for the Landlord to declare the term ended, and to enter into the premises, either with or without legal process, and to remove the Tenant or any other person occupying the premises, using such force as may be necessary, without being liable to prosecution, or in damages therefore, and to repossess the premises free and clear of any rights of the Tenant. If, at any time, this lease is terminated under this paragraph, the Tenant agrees to peacefully surrender the premises to the Landlord immediately upon termination, and if the Tenant remains in possession of the premises, the Tenant shall be deemed guilty of forcible entry and detainer of the premises, and, waiving notice, shall be subject to forcible eviction with or without process of law.

17. In the event of any dispute arising under the terms of this Lease, or in the event of non-payment of any sums arising under this lease and in the event the matter is turned over to an attorney, the party prevailing in such dispute shall be entitled, in addition to other damages or costs, to receive reasonable attorney's fees from the other party.
18. In the event any payment required hereunder is not made within five (5) days after the payment is due, a late charge in the amount of five percent (5%) of the payment will be paid by the Tenant.
19. In the event of a purchase by, condemnation or other taking by any governmental agency, all proceeds shall be paid to the Landlord hereunder, the Tenant waiving all right to any such payments. Tenant and Landlord understand and agree that Tenant is incorporated as Tuned Up Custom Rods LLC, a new and distinct entity from any previous tenant. Therefore, and as consideration for this lease, tenant shall waive any and all rights to relocation benefits under State and Federal law and shall sign all necessary legal documents to bind Tenant to such waiver. Because Tenant is not entitled to relocations benefit, legal notice of relocation benefits has not been provided and no further notice of benefits will be required now or in the future, as a result of this lease.
20. This Lease is made with the express understanding and agreement that, in the event the Tenant becomes insolvent, or is declared bankrupt, then, in either event, the Landlord may declare this Lease ended, and all rights of the Tenant hereunder shall terminate and cease.
21. Any notices required or permitted to be given hereunder shall be in writing and shall be personally delivered, delivered via overnight delivery or deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to Landlord or Tenant, as the case may be, as follows:

*If to Landlord:*

Coon Rapids HRA  
Attn: Marc Nevinski  
11155 Robinson Drive  
Coon Rapids, MN 55433  
(763) 767- 6451

*If to Tenant:*

Tuned Up Custom Rods, Inc.  
Attn: Adam Audette  
7864 Penn Ave N  
Brooklyn Park, MN 55444  
or  
John Burback  
10606 Drake Street NW  
Coon Rapids, MN 55433

THIS LEASE shall be binding on the parties, their personal representatives, successors and assigns.

ADDITIONAL PROVISIONS:

1. Tenant hereby accepts the Leased Premises in an "as is" condition. All interior finishing work will be at the sole expense of the Tenant.

*IN WITNESS WHEREOF*, Landlord and Tenant have signed this lease as of the day and year first above written.

**The Housing and Redevelopment Authority in and for the City of Coon Rapids**  
***Landlord***

\_\_\_\_\_  
By: Tim Howe  
Its: Chair

\_\_\_\_\_  
By: Bruce Sanders  
Its: Secretary

\_\_\_\_\_  
***Tenant***

By: Adam Audette  
Its: President & Owner  
Date: \_\_\_\_\_

\_\_\_\_\_  
***Tenant***

By: John Burback  
Its: CEO & Owner  
Date: \_\_\_\_\_